

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
Olympia, Washington**

To: Resource Based Relative Value
Scale (RBRVS) Users:
Anesthesiologists
Advanced Registered Nurse
Practitioners
Emergency Physicians
Family Planning Clinics
Federally Qualified Health Centers
Health Departments
Laboratories
Managed Care Plans
Nurse Anesthetists
Ophthalmologists
Physicians
Physician Clinics
Podiatrists
Psychiatrists
Radiologists
Registered Nurse First Assistants

**Memorandum No: 04-52 MAA
Issued: July 6, 2004**

For Information Call:
1-800-562-6188

Supersedes: # Memo 03-101 MAA
Memo 03-96 MAA
Memo 03-84 MAA
Memo 03-73 MAA
Memo 03-59 MAA
Memo 03-54 MAA
Memo 03-34 MAA

From: Douglas Porter, Assistant Secretary
Medical Assistance Administration (MAA)

Subject: Physician-Related Services: Fee Schedule Changes and Technical Changes

Effective for dates of service on and after July 1, 2004, the Medical Assistance Administration (MAA) will implement:

- The updated Medicare Physician Fee Schedule Data Base (MPFSDB) Year 2004 relative value units (RVUs);
- The updated Year 2004 Relative Value Guide base anesthesia units (BAUs);
- The updated Medicare Clinical Laboratory Fee Schedule (MCLFS);
- The updated Medicare Single Drug Pricer (SDP);
- The Year 2004 additions of Current Procedural Terminology (CPT™) codes;
- The additions to Healthcare Common Procedure Coding System (HCPCS) Level II codes; **AND**
- The technical changes listed in this numbered memorandum.

Maximum Allowable Fees

MAA updated the fee schedule with Year 2004 RVUs, BAUs, clinical laboratory fees, and SDP pricing. The maximum allowable fees have been adjusted to reflect the updates listed above. The Legislature **did not appropriate a vendor rate increase** for the 2005 state fiscal year.

Below are MAA's July 1, 2004 conversion factors:

Title	Procedure Codes	July 1, 2004 Conversion Factor
Maternity	58611, 59000, 59025, 59400-59410, 59425-59426, 59430, 59510-59525, 59610-59622.	\$44.46
Children's Primary Health Care	99201-99215, 99431-99435, and 99381-99395.	34.25
Adult Primary Health Care	99201-99215	25.00
Anesthesia		20.24
All Other Procedures Codes	Except Clinical Laboratory	22.67
Clinical Lab Multiplication Factor		.797

Grace Period for Discontinued Procedure Codes

Effective for dates of service on and after January 1, 2005, MAA will eliminate the grace period for discontinued CPT and HCPCS procedure codes and ICD-9-CM diagnosis codes. This is consistent with Medicare's policy.

Modifier

Modifier 53 is a payment modifier **only** when it is used for billing incomplete colonoscopies (CPT code 45378, or HCPCS codes G0105 or G0121). For all other surgical procedures, it is considered "informational only".

Heart Catheterizations

When a physician performs cardiac catheterization in a setting where the physician does not own the equipment (e.g., a hospital or Ambulatory Surgery Center), MAA reimburses providers for the appropriate **procedure code with modifier "26" (professional component) only**. To bill using either the global or technical components, providers must have a contract with MAA certifying they perform heart catheterizations in their offices and they own their own equipment.

Drugs Administered in the Provider's Office

- **Payment Methodology**

MAA follows Medicare's payment policy to set the maximum allowances for drugs administered in a provider's office.

MAA obtains the Average Wholesale Price (AWP) for most of the HCPCS level II drug and biological codes from Medicare's Single Drug Pricer (SDP). MAA's maximum allowable fee is 86% of the AWP or Medicare's rate, whichever is less. MAA updates the rates each time the SDP is updated, up to once per quarter.

- **Coverage Changes**

Effective for dates of service on and after July 1, 2004, MAA will no longer cover the following drugs:

CPT/HCPCS	Brief Description
90660	Flu vaccine, nasal
90749	Unlisted vacc, toxoid
J1810	Droperidol and fentanyl citrate, 2ml

Laboratory

- **Pap Smears**

MAA reimburses for one routine Pap smear per calendar year. MAA considers routine Pap smears to be those claims billed with ICD-9-CM diagnosis code V76.2. MAA denies additional routine Pap smears provided in the same calendar year. All other Pap smears are allowed as medically necessary.

- **Diagnosis Update**

Laboratory claims must include an appropriate medical diagnosis code. The ordering provider must give the appropriate medical diagnosis code to the performing laboratory at the time the tests are ordered. **MAA does not reimburse a laboratory for procedures with ICD-9-CM diagnosis codes V72.5 and V72.6.**

Chemotherapy

- Chemotherapy administration, push technique (CPT code 96408), may be reported for each drug administered.
- MAA's maximum allowable fee for chemotherapy drugs (HCPCS codes J9000-J9999) is equal to 86% of AWP or Medicare's rates, whichever is less.

Family Planning

MAA no longer covers the following contraceptive devices/injections because they are no longer available:

Implant	
A4260	Levonorgestrel (Norplant) implant system, including implant and supplies. (One allowed in a 5-year period.)
11975	Insert contraceptive capsule
11977	Removal/insert contra capsule
Injectables	
J1056	Injection Medroxyprogesterone acetate/estradiol cypionate 5mg/25 mg (Lunelle). (Allowed once over 23 days.)
Intrauterine Devices (IUD)	
S4989	Intrauterine device (non-copper) (Progestasert)

Domiciliary, Rest Home, or Custodial Care Services

CPT codes 99301-99316 are **not** appropriate Evaluation & Management (E&M) codes for use in place of service 13 (Assisted Living) or 14 (Group Home). Providers must use CPT codes 99321-99323 and 99331-99333 for E&M services provided to clients in these settings.

EPSDT Interperiodic Screenings

MAA no longer reimburses providers for interperiodic screenings. If a client is seen for a suspected health problem, providers must bill these services using the appropriate E&M procedure code with the ICD-9-CM diagnosis code that accurately describes the sign(s), symptom(s), or condition(s). **It is no longer necessary to bill using modifier "EP" for these services.**

Maternity Care and Delivery

- **Effective for dates of service on and after July 1, 2004**, MAA no longer covers the following code:

HCPSC Code	Brief Description
T1001 TH	Prenatal Assessment

- MAA clarified the maternity care and delivery section (Section F) of the Physician-Related Services Billing Instructions, dated July 2004.

Miscellaneous Prosthetics/Orthotics

Retroactive to dates of service on and after July 1, 2003, MAA covers only the following list of prosthetics/orthotics when dispensed in a physician's office:

HCPSC Code	Description
L0120	Collar-philadelphia child
L0210	Universal rib belt
L0515	Industrial back support (<i>not covered for scoliosis</i>)
L1800	Stabiliz knee sleeve-universal
L1810	Knee brace hinged
L1815	Roadrunner knee brace
L1820	Action neoprene brace, knee
L1830	Knee immobilizer 24" universal
L1902	Boot-walkabout med/large
L1906	Canvas ankle brace
L0210	Thoracic, rib belt
L0220	Thoracic, rib belt, custom fabricated
L3030	Hapad metatarsal pad
L3334	Achilles lift
L3350	Adjustable peel-off heel lift
L3360	Achilles heel wedge/west walkr
L3650	Shoulder abduction pillow
L3700	Neoprene buttress elbow,s-m-l
L3807	WHFO, extension assist, with inflatable palmer air support, with or without thumb extension
L3908	Wrist comfort form all sizes
L3909	Wrist Orthosis
L3928	Lmb 504 extension
L4350	Air support - purple med/large
L4360	Walker, pneumatic s-m-l

HCPCS Code	Description
L4380	Aircast infrapatellar band
L4386	Diabetic walker
L8000	Post mastectomy implants bra
L8010	Breast binder
L8600	Breast implants



Note: Many of the prosthetics/orthotics listed above may require some form of prior authorization (PA). Refer to Section K of the Physician-Related Services Billing Instructions, dated July 2004, for those codes that require PA.

Physician-Related Services Billing Instructions

MAA has updated and published the Physician-Related Services Billing Instructions, dated July 2004.

To view MAA's billings instructions, fee schedules, and numbered memorandum online, go to MAA's website at <http://maa.dshs.wa.gov> and click on the Billing Instructions/ Numbered Memoranda or Provider Publications/Fee Schedules link.

Bill MAA your usual and customary charge.